



# Berli Jucker

Berli Jucker  
Public Company Limited

# BJC

Bloomberg BJC TB  
Reuters BJC.BK

## Looking at better sales and margin in 2019F

**In 2019, BJC targets high single-digit sales growth in all business units and a wider gross margin from MSC (more favorable sales mix), CSC (low raw material costs) and H&TSC (strong baht lowers imported machine cost). With better sales and margin, we estimate 2019F core earnings growth of 15% YoY (vs sector average of 13% YoY). BJC is the one of the sector's biggest laggards. Maintain BUY with a 12-month DCF TP of Bt65.**

**Better sales in all units.** In 2019F, BJC targets high-single digit sales growth, with all units contributing. MSC. In the modern supply chain unit (71% of 2018 sales and 62% of EBITDA), it targets high single-digit sales growth off low single-digit SSS growth and store expansion. In 2M19, we estimate SSS growth at 2% YoY (vs 0.3% YoY in 1Q18 and 1.8% YoY in 4Q18). In 2019, BJC plans to open 8 hypermarket stores (7 in Thailand and a first store in Poipet, Cambodia in Oct), a Big Food Place store (Samyan Mitrtown) and 200 Mini Big C stores. In Laos, it converted 3-4 convenience stores from M-Point Mart to Mini Big C and plans to convert the remaining 46 stores within 1H19F. In Cambodia, after opening its first hypermarket this year, it will study the development of a small store format within the next few years. Non-MSC. BJC targets mid-single-digit sales growth from the packaging supply chain (PSC) unit from: 1) a full-year impact from the startup of its new glass furnace in Sep 2018; 2) orders from two new clients and more exports to Vietnam that will make up for the drop in can packaging sales to Carabao group. It targets double-digit sales growth from the consumer supply chain (CSC) and healthcare and technical supply chain (H&TSC) units.

**Wider margin.** In 2019, BJC expects gross margin to widen YoY. MSC. It expects a better margin via more high-margin non-food products (27% of sales in 2018), both soft and hard lines, by launching new product designs and collections. This will offset the slight rise in the low-margin B2B business from 7.2% of sales in 2018 to about 8.0% to sales in 2019F. Non-MSC. Margin for CSC and H&TSC units will improve from low raw material prices (palm oil, coconut oil and pulp) for food and non-food production and strong THB/US\$ for the import of machines. The PSC unit will gain from the recent drop in fuel (natural gas and electricity account for 25-30% of costs) and aluminum sheet costs. This will offset the lower margin from the change in customers in the can packaging business, in which BJC hopes to optimize production efficiency within 12 months after changing clients.

**Other issues.** BJC has not yet completed the assessment of provision expenses for employee benefits, but it estimates it will be in the range of several hundred million baht. After completing the group restructuring on tax items after the acquisition of BIGC in 3Q18, it targets a 2019 effective tax rate at close to 2018's 18%.

### Forecasts and valuation

Year to 31 Dec	Unit	2017	2018	2019F	2020F	2021F
Revenue	(Btmn)	149,158	156,142	165,631	173,543	181,919
EBITDA	(Btmn)	20,040	21,032	22,642	24,043	25,423
Core profit	(Btmn)	5,122	6,444	7,373	8,300	9,269
Reported profit	(Btmn)	5,211	6,650	7,373	8,300	9,269
Core EPS	(Bt)	1.28	1.61	1.85	2.08	2.32
DPS	(Bt)	0.57	0.73	0.74	0.83	0.93
P/E, core	(x)	38.0	30.3	26.4	23.4	21.0
EPS growth, core	(%)	35.5	25.6	14.6	12.6	11.7
P/BV, core	(x)	1.8	1.7	1.7	1.6	1.6
ROE	(%)	4.6	5.7	6.4	7.1	7.8
Dividend yield	(%)	1.2	1.5	1.5	1.7	1.9
FCF yield	(x)	1.3	3.1	4.2	4.9	5.5
EV/EBIT	(x)	27.5	26.0	23.6	21.9	20.3
EBIT growth, core	(%)	33.5	6.5	9.3	7.0	6.7
EV/CE	(x)	1.3	1.3	1.3	1.2	1.2
ROCE	(%)	(0.6)	(0.7)	(0.6)	(0.6)	(0.6)
EV/EBITDA	(x)	17.3	16.7	15.3	14.3	13.4
EBITDA growth	(%)	28.7	5.0	7.7	6.2	5.7

Source: SCBS Investment Research

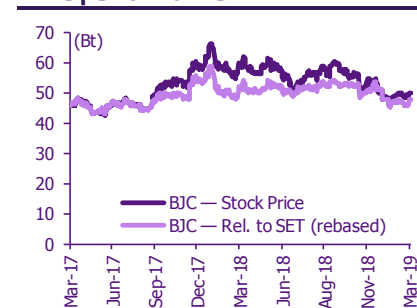
## BUY

### Stock data

Last close (Mar 6) (Bt)	48.75
12-m target price (Bt)	65.00
Upside (Downside) to TP (%)	33.33
Mkt cap (Btbn)	195.14
Mkt cap (US\$mn)	6,123

Risk rating	L
Mkt cap (%) SET	1.15
Sector % SET	9.50
Shares issued (mn)	4,003
Par value (Bt)	1.00
12-m high / low (Bt)	62.3 / 45.3
Avg. daily 6m (US\$mn)	11.89
Foreign limit / actual (%)	49 / 13
Free float (%)	25.2
Dividend policy (%)	≥ 50

### Price performance



Source: SET, SCBS Investment Research

### Share performance

(%)	1M	3M	12M
Absolute	(0.5)	(8.5)	(17.0)
Relative to SET	1.2	(6.9)	(7.7)

Source: SET, SCBS Investment Research

### Expected total return (ETR)

Target price	(Bt)	65.00
12-month dividend	(Bt)	0.74
Capital gain	(%)	33.33
Dividend yield	(%)	1.52
Total return	(%)	34.85

Source: SET, SCBS Investment Research

### Analyst

**Sirima Dissara, CFA**  
Fundamental Investment  
Analyst on Securities  
(66-2) 949-1004  
sirima.dissara@scb.co.th

## Financial statement

### Profit and Loss Statement

FY December 31	Unit	2014	2015	2016	2017	2018	2019F	2020F	2021F
Total revenue	(Btmn)	41,695	42,893	125,330	149,158	156,142	165,631	173,543	181,919
Cost of goods sold	(Btmn)	(32,363)	(33,071)	(102,735)	(120,706)	(126,173)	(133,693)	(139,944)	(146,547)
<b>Gross profit</b>	<b>(Btmn)</b>	<b>9,333</b>	<b>9,822</b>	<b>22,595</b>	<b>28,452</b>	<b>29,968</b>	<b>31,937</b>	<b>33,599</b>	<b>35,371</b>
SG&A	(Btmn)	(7,011)	(7,179)	(24,324)	(30,686)	(32,263)	(34,032)	(35,645)	(37,286)
Other income	(Btmn)	693	1,500	11,204	14,885	15,771	16,825	17,810	18,733
Interest expense	(Btmn)	(556)	(493)	(5,203)	(4,528)	(4,719)	(4,951)	(4,897)	(4,796)
<b>Pre-tax profit</b>	<b>(Btmn)</b>	<b>2,459</b>	<b>3,650</b>	<b>4,272</b>	<b>8,122</b>	<b>8,757</b>	<b>9,779</b>	<b>10,866</b>	<b>12,023</b>
Corporate tax	(Btmn)	(398)	(400)	(983)	(2,260)	(1,569)	(1,750)	(1,945)	(2,152)
Equity a/c profits	(Btmn)	(26)	87	181	24	(110)	0	35	55
Minority interests	(Btmn)	(367)	(661)	(1,015)	(764)	(634)	(655)	(656)	(656)
<b>Core profit</b>	<b>(Btmn)</b>	<b>1,668</b>	<b>2,676</b>	<b>2,455</b>	<b>5,122</b>	<b>6,444</b>	<b>7,373</b>	<b>8,300</b>	<b>9,269</b>
Extra-ordinary items	(Btmn)	12	116	851	88	206	0	0	0
<b>Net Profit</b>	<b>(Btmn)</b>	<b>1,679</b>	<b>2,792</b>	<b>3,307</b>	<b>5,211</b>	<b>6,650</b>	<b>7,373</b>	<b>8,300</b>	<b>9,269</b>
EBITDA	(Btmn)	4,996	6,263	15,570	20,040	21,032	22,642	24,043	25,423
<b>Core EPS (Bt)</b>	<b>(Btmn)</b>	<b>1.05</b>	<b>1.68</b>	<b>0.95</b>	<b>1.28</b>	<b>1.61</b>	<b>1.85</b>	<b>2.08</b>	<b>2.32</b>
Net EPS (Bt)	(Bt)	1.05	1.75	1.28	1.31	1.66	1.85	2.08	2.32
DPS (Bt)	(Bt)	0.60	0.84	0.50	0.57	0.73	0.74	0.83	0.93

### Balance Sheet

FY December 31	Unit	2014	2015	2016	2017	2018	2019F	2020F	2021F
Total current assets	(Btmn)	17,763	18,380	35,993	38,542	43,360	43,374	45,453	47,736
Total fixed assets	(Btmn)	25,665	26,320	272,708	276,517	279,661	279,745	279,057	278,051
<b>Total assets</b>	<b>(Btmn)</b>	<b>43,428</b>	<b>44,701</b>	<b>308,701</b>	<b>315,059</b>	<b>323,021</b>	<b>323,118</b>	<b>324,511</b>	<b>325,787</b>
Total loans	(Btmn)	14,332	14,975	152,476	157,180	160,917	156,122	153,622	150,272
Total current liabilities	(Btmn)	18,204	15,313	51,851	50,254	90,286	75,926	86,051	67,990
Total long-term liabilities	(Btmn)	7,208	8,637	145,701	153,631	117,651	130,538	120,283	137,497
<b>Total liabilities</b>	<b>(Btmn)</b>	<b>25,411</b>	<b>23,950</b>	<b>197,553</b>	<b>203,886</b>	<b>207,937</b>	<b>206,464</b>	<b>206,333</b>	<b>205,487</b>
Paid-up capital	(Btmn)	1,592	1,592	3,990	3,996	4,003	4,570	4,570	4,570
<b>Total equity</b>	<b>(Btmn)</b>	<b>18,017</b>	<b>20,750</b>	<b>111,148</b>	<b>111,173</b>	<b>115,084</b>	<b>116,654</b>	<b>118,178</b>	<b>120,300</b>
<b>BVPS (Bt)</b>	<b>(Bt)</b>	<b>11.31</b>	<b>13.03</b>	<b>42.87</b>	<b>27.85</b>	<b>28.77</b>	<b>29.22</b>	<b>29.61</b>	<b>30.14</b>

### Cash Flow Statement

FY December 31	Unit	2014	2015	2016	2017	2018	2019F	2020F	2021F
Core Profit	(Btmn)	1,668	2,676	2,455	5,122	6,444	7,373	8,300	9,269
Depreciation and amortization	(Btmn)	1,982	2,121	6,095	7,389	7,556	7,912	8,279	8,604
Operating cash flow	(Btmn)	4,396	4,693	17,938	17,380	17,636	16,261	17,064	18,385
Investing cash flow	(Btmn)	(3,284)	(1,611)	(208,512)	(14,846)	(11,641)	(7,996)	(7,592)	(7,598)
Financing cash flow	(Btmn)	(1,352)	(3,151)	192,912	(1,390)	(4,683)	(10,515)	(9,276)	(10,497)
<b>Net cash flow</b>	<b>(Btmn)</b>	<b>(240)</b>	<b>(69)</b>	<b>2,338</b>	<b>1,145</b>	<b>1,312</b>	<b>(2,250)</b>	<b>196</b>	<b>291</b>

### Key Financial Ratios

FY December 31	Unit	2014	2015	2016	2017	2018	2019F	2020F	2021F
Gross margin	(%)	22.4	22.9	18.0	19.1	19.2	19.3	19.4	19.4
Operating margin	(%)	5.6	6.2	(1.4)	(1.5)	(1.5)	(1.3)	(1.2)	(1.1)
EBITDA margin	(%)	12.0	14.6	12.4	13.4	13.5	13.7	13.9	14.0
EBIT margin	(%)	7.2	9.7	7.6	8.5	8.6	8.9	9.1	9.2
Net profit margin	(%)	4.0	6.5	2.6	3.5	4.3	4.5	4.8	5.1
ROE	(%)	9.3	13.8	3.7	4.6	5.7	6.4	7.1	7.8
ROA	(%)	3.8	6.1	1.4	1.6	2.0	2.3	2.6	2.9
Net D/E	(x)	0.7	0.7	1.3	1.4	1.3	1.3	1.3	1.2
Interest coverage	(x)	9.0	12.7	3.0	4.4	4.5	4.6	4.9	5.3
Debt service coverage	(x)	0.6	0.8	0.6	0.9	0.3	0.5	0.5	0.8
Payout Ratio	(%)	56.9	47.9	39.2	43.7	43.9	40.0	40.0	40.0

### Main Assumptions

FY December 31	Unit	2014	2015	2016	2017	2018	2019F	2020F	2021F
SSS growth (MSC)	(%)	(1.5)	(3.0)	(12.8)	(5.6)	1.0	2.0	2.0	2.0
New stores, all formats (MSC)	(Stores)	77	98	63	180	154	209	157	157
Ending stores, all formats (MSC)	(Stores)	636	734	797	977	1,131	1,340	1,497	1,654
New stores, hypermarket (MSC)	(Stores)	4	2	6	9	7	8	6	6
Ending stores, hypermarket (MSC)	(Stores)	123	125	131	140	147	155	161	167
Gross profit margin (MSC)	(%)	15.0	13.7	14.7	16.7	16.5	16.6	16.7	16.8

## Financial statement

## Profit and Loss Statement

FY December 31	Unit	1Q17	2Q17	3Q17	4Q17	1Q18	2Q18	3Q18	4Q18
Total revenue	(Btmn)	35,677	37,107	37,067	39,307	37,069	39,024	38,823	41,226
Cost of goods sold	(Btmn)	(29,075)	(30,328)	(29,799)	(31,505)	(30,055)	(31,707)	(31,414)	(32,998)
<b>Gross profit</b>	<b>(Btmn)</b>	<b>6,602</b>	<b>6,779</b>	<b>7,268</b>	<b>7,802</b>	<b>7,014</b>	<b>7,317</b>	<b>7,409</b>	<b>8,228</b>
SG&A	(Btmn)	(7,358)	(7,497)	(7,662)	(8,169)	(7,597)	(8,030)	(8,096)	(8,539)
Other income	(Btmn)	3,555	3,651	3,661	4,018	3,737	3,925	3,923	4,186
Interest expense	(Btmn)	(1,125)	(1,113)	(1,116)	(1,174)	(1,146)	(1,170)	(1,193)	(1,211)
<b>Pre-tax profit</b>	<b>(Btmn)</b>	<b>1,674</b>	<b>1,820</b>	<b>2,151</b>	<b>2,477</b>	<b>2,008</b>	<b>2,042</b>	<b>2,043</b>	<b>2,664</b>
Corporate tax	(Btmn)	(531)	(595)	(576)	(558)	(506)	(456)	(195)	(412)
Equity a/c profits	(Btmn)	24	(7)	7	0	(6)	(76)	(39)	10
Minority interests	(Btmn)	(151)	(222)	(203)	(188)	(184)	(195)	(115)	(140)
<b>Core profit</b>	<b>(Btmn)</b>	<b>1,016</b>	<b>997</b>	<b>1,378</b>	<b>1,731</b>	<b>1,312</b>	<b>1,316</b>	<b>1,694</b>	<b>2,122</b>
Extra-ordinary items	(Btmn)	(51)	(1)	9	132	133	80	(11)	3
<b>Net Profit</b>	<b>(Btmn)</b>	<b>965</b>	<b>996</b>	<b>1,387</b>	<b>1,863</b>	<b>1,445</b>	<b>1,396</b>	<b>1,683</b>	<b>2,126</b>
EBITDA	(Btmn)	4,580	4,733	5,156	5,571	5,020	5,109	5,110	5,794
<b>Core EPS (Bt)</b>	<b>(Btmn)</b>	<b>0.25</b>	<b>0.25</b>	<b>0.35</b>	<b>0.43</b>	<b>0.33</b>	<b>0.33</b>	<b>0.42</b>	<b>0.53</b>
Net EPS (Bt)	(Bt)	0.24	0.25	0.35	0.47	0.36	0.35	0.42	0.53

## Balance Sheet

FY December 31	Unit	1Q17	2Q17	3Q17	4Q17	1Q18	2Q18	3Q18	4Q18
Total current assets	(Btmn)	35,614	33,949	35,789	38,542	38,491	38,190	38,876	43,360
Total fixed assets	(Btmn)	273,095	273,817	276,767	276,517	276,842	276,968	278,273	279,661
<b>Total assets</b>	<b>(Btmn)</b>	<b>308,708</b>	<b>307,766</b>	<b>312,556</b>	<b>315,059</b>	<b>315,332</b>	<b>315,159</b>	<b>317,148</b>	<b>323,021</b>
Total loans	(Btmn)	153,293	152,197	158,278	157,180	156,973	157,453	159,195	160,917
Total current liabilities	(Btmn)	50,397	47,881	53,030	50,254	61,514	59,247	85,047	90,286
Total long-term liabilities	(Btmn)	146,343	148,169	150,483	153,631	141,574	143,673	118,985	117,651
<b>Total liabilities</b>	<b>(Btmn)</b>	<b>196,740</b>	<b>196,050</b>	<b>203,513</b>	<b>203,886</b>	<b>203,088</b>	<b>202,920</b>	<b>204,032</b>	<b>207,937</b>
Paid-up capital	(Btmn)	3,991	3,992	3,993	3,996	3,997	4,000	4,002	4,003
<b>Total equity</b>	<b>(Btmn)</b>	<b>111,968</b>	<b>111,716</b>	<b>109,043</b>	<b>111,173</b>	<b>112,245</b>	<b>112,239</b>	<b>113,117</b>	<b>115,084</b>
<b>BVPS (Bt)</b>	<b>(Bt)</b>	<b>28.06</b>	<b>27.99</b>	<b>27.31</b>	<b>27.84</b>	<b>28.08</b>	<b>28.07</b>	<b>28.27</b>	<b>28.76</b>

## Cash Flow Statement

FY December 31	Unit	1Q17	2Q17	3Q17	4Q17	1Q18	2Q18	3Q18	4Q18
Core Profit	(Btmn)	965	996	1,387	1,863	1,445	1,396	1,683	2,126
Depreciation and amortization	(Btmn)	1,781	1,800	1,889	1,920	1,867	1,896	1,874	1,919
Operating cash flow	(Btmn)	1,166	4,685	4,738	6,792	2,637	4,214	4,790	5,995
Investing cash flow	(Btmn)	(1,676)	(2,067)	(7,650)	(3,453)	(2,205)	(2,136)	(3,002)	(4,298)
Financing cash flow	(Btmn)	(698)	(2,514)	3,490	(1,668)	(1,653)	(1,899)	(1,035)	(96)
<b>Net cash flow</b>	<b>(Btmn)</b>	<b>(1,209)</b>	<b>105</b>	<b>577</b>	<b>1,671</b>	<b>(1,221)</b>	<b>179</b>	<b>753</b>	<b>1,601</b>

## Key Financial Ratios

FY December 31	Unit	1Q17	2Q17	3Q17	4Q17	1Q18	2Q18	3Q18	4Q18
Gross margin	(%)	18.5	18.3	19.6	19.8	18.9	18.8	19.1	20.0
Operating margin	(%)	(2.1)	(1.9)	(1.1)	(0.9)	(1.6)	(1.8)	(1.8)	(0.8)
EBITDA margin	(%)	12.8	12.8	13.9	14.2	13.5	13.1	13.2	14.1
EBIT margin	(%)	7.8	7.9	8.8	9.3	8.5	8.2	8.3	9.4
Net profit margin	(%)	2.7	2.7	3.7	4.7	3.9	3.6	4.3	5.2
ROE	(%)	3.6	3.6	5.0	6.3	4.7	4.7	6.0	7.4
ROA	(%)	1.3	1.3	1.8	2.2	1.7	1.7	2.1	2.7
Net D/E	(x)	1.3	1.3	1.4	1.4	1.4	1.4	1.4	1.3
Interest coverage	(x)	4.1	4.3	4.6	4.7	4.4	4.4	4.3	4.8
Debt service coverage	(x)	0.7	0.8	0.8	1.0	0.6	0.6	0.3	0.4

## Main Assumptions

FY December 31	Unit	1Q17	2Q17	3Q17	4Q17	1Q18	2Q18	3Q18	4Q18
SSS growth (MSC)	(%)	(20.0)	(15.2)	9.2	3.8	0.3	(0.5)	2.5	1.8
New stores, all formats (MSC)	(Stores)	10	38	59	73	26	27	28	73
Ending stores, all formats (MSC)	(Stores)	807	845	904	977	1,003	1,030	1,058	1,131
New stores, hypermarket (MSC)	(Stores)	0	1	3	5	2	1	2	2
Ending stores, hypermarket (MSC)	(Stores)	131	132	135	140	142	143	145	147
Gross profit margin (MSC)	(%)	16.2	15.6	17.7	17.3	15.9	16.1	16.8	17.2

**Figure 1: Valuation summary** (price as of Mar 6, 2019)

	Rating	Price (Bt/Sh)	Target (Bt/Sh)	ETR (%)	P/E (x)			EPS growth (%)			P/BV (x)			ROE (%)			Div. Yield (%)			EV/EBITDA (x)		
					18A	19F	20F	18A	19F	20F	18A	19F	20F	18A	19F	20F	18A	19F	20F	18A	19F	20F
BJC	Buy	48.75	65.0	34.8	30.3	26.4	23.4	26	15	13	1.7	1.7	1.6	6	6	7	1.5	1.5	1.7	16.7	15.3	14.3
CPALL	Buy	76.50	90.0	19.2	35.7	34.0	29.5	16	5	15	8.6	6.9	6.1	28	24	23	1.4	1.6	1.8	20.1	18.8	16.8
GLOBAL	Buy	17.43	23.0	33.1	43.4	34.8	29.7	(4)	25	17	5.2	4.7	4.3	13	14	15	1.0	1.2	1.0	28.0	23.2	20.4
HMPRO	Buy	15.20	17.5	17.7	35.3	31.0	27.4	16	14	13	10.0	9.2	8.4	29	31	32	2.3	2.6	2.9	20.2	18.3	16.6
MAKRO	Neutral	37.25	40.0	10.0	28.9	30.1	29.3	14	(4)	3	9.9	9.3	8.6	37	32	31	2.6	2.6	2.6	17.6	17.8	17.3
ROBINS	Buy	63.75	78.0	24.5	26.4	23.7	20.8	7	11	14	4.0	3.8	3.4	16	16	17	1.9	2.2	2.4	14.0	13.1	12.2
<b>Average</b>					<b>33.3</b>	<b>30.0</b>	<b>26.7</b>	<b>13</b>	<b>11</b>	<b>12</b>	<b>6.6</b>	<b>5.9</b>	<b>5.4</b>	<b>21</b>	<b>21</b>	<b>21</b>	<b>1.8</b>	<b>1.9</b>	<b>2.1</b>	<b>19.4</b>	<b>17.8</b>	<b>16.3</b>

Source: SCBS Investment Research

**Disclaimer**

The information in this report has been obtained from sources believed to be reliable. However, its accuracy or completeness is not guaranteed. Any opinions expressed herein reflect our judgment at this date and are subject to change without notice. This report is for information only. It is not to be construed as an offer, or solicitation of an offer to sell or buy any securities. We accept no liability for any loss arising from the use of this document. We or our associates may have an interest in the companies mentioned therein.

SCB Securities Company Limited ("SCBS") is a wholly-owned subsidiary of The Siam Commercial Bank Public Company Limited ("SCB"). Any information related to SCB is for sector comparison purposes.

SCB Securities Company Limited ("SCBS") acts as market maker and issuer of Derivative Warrants on the ordinary shares AAV, ADVANC, AMATA, AOT, BANPU, BBL, BCH, BCP, BCPG, BDMS, BEAUTY, BEM, BGRIM, BH, BJC, BTS, CBG, CHG, CK, CKP, COM7, CPALL, CPN, DTAC, GLOBAL, GPSC, GULF, GUNKUL, IVL, KBANK, KCE, KTB, LH, MINT, MTC, ORI, PSL, PTG, PTT, PTTEP, PTTGC, SAWAD, SCC, SPRC, STA, STEC, SUPER, TASCO, THANI, TISCO, TMB, TOA, TOP, TVO, VGI, WHA.

Before making an investment decision over a derivative warrant, an investor should carefully read the prospectus for the details of the said derivative warrants. Any opinion, news, research, analyse, price, statement, forecast, projection and/or other information contained in this document (the "Information") is provided as general purpose information only, and shall not be construed as a recommendation to any person of an offer to buy or sell, or the solicitation of an offer to buy or sell, any securities. SCBS and/or its directors, officers, employees, and agents shall not be liable for any direct, indirect, incidental, special or consequential loss or damage, resulting from the use of, or reliance on, the Information, including without limitation, damages for loss of profits. The investor should use the Information in association with other information and opinion, including his/her own judgment in making investment decision. The Information is obtained from sources believed to be reliable, and SCBS cannot guarantee the accuracy, completeness and/or correctness of the Information.

SCBS reserves the right to modify the Information from time to time at its sole discretion without giving any notice. This document is delivered to intended recipient(s) only and is not permitted to reproduce, retransmit, disseminate, sell, distribute, republish, circulate or commercially exploit the Information in any manner without the prior written consent of SCBS.

This document is prepared by SCB Securities Company Limited ("SCBS") which is wholly-owned by The Siam Commercial Bank Public Company Limited ("SCB"). SCB has acted as financial advisor of Global Power Synergy Public Company Limited. Any opinions, news, research, analyses, prices, statements, forecasts, projections and/or other information contained in this document (the "Information") is provided as general information purposes only, and shall not be construed as individualized recommendation of an offer to buy or sell or the solicitation of an offer to buy or sell any securities. SCBS and/or its directors, officers and employees shall not be liable for any direct, indirect, incidental, special or consequential loss or damage, resulting from the use of or reliance on the Information, including without limitation to, damages for loss of profits. The investors shall use the Information in association with other information and opinion, including their own judgment in making investment decision. The Information is obtained from sources believed to be reliable, and SCBS cannot guarantee the accuracy, completeness and/or correctness of the Information.

Futures and Options trading carry a high level of risk with the potential for substantial losses, and are not suitable for all persons. Before deciding to trade Futures and Options, you should carefully consider your financial position, investment objectives, level of experience, and risk appetite if Futures and Options trading are appropriate. The possibility exists that you could sustain a loss of some or all of your initial investment. You should be aware of all the risks associated with Futures and Options trading, and you are advised to rely on your own judgment while making investment decision and/or should seek advice from professional investment advisor if you have any doubts.

This document is delivered to intended recipient(s) only and is not permitted to reproduce, retransmit, disseminate, sell, distribute, republish, circulate or commercially exploit the Information in any manner without the prior written consent of SCBS.

Copyright©2012 SCB Securities Company Limited. All rights reserved.

**CG Rating 2018 Companies with CG Rating**

★★★★★

ADVANC, AKP, AMATA, AMATAV, ANAN, AOT, AP, BAFS, BANPU, BAY, BCP, BCPG, BRR, BTS, BWG, CFRESH, CHO, CK, CKP, CM, CNT, COL, CPF, CPI, CPN, CSL, CSS, DELTA, DEMCO, DRT, DTAC, DTC, EA, EASTW, EGCO, GC, GEL, GFPT, GGC\*, GOLD, GPSC, GRAMMY, GUNKUL, HANA, HMPRO, ICC, ICHI, INTUCH, IRPC, IVL, JSP, KBANK, KCE, KKP, KSL, KTB, KTC, LHFG, LIT, LPN, MAKRO, MBK, MCOT, MINT, MONO, MTC, NCL, NKI, NVD, NYT, OISHI, OTO, PCSGH, PDJ, PG, PHOL, PLANB, PLANET, PPS, PRG, PSH, PSL, PTG, PTT, PTTEP, PTTGC, PYLON, Q-CON, QH, QTC, RATCH, ROBINS, S & J, SABINA, SAMART, SAMTEL, SAT, SC, SCB, SCC, SCCC, SDC, SE-ED, SIS, SITHAI, SNC, SPALI, SPRC, SSSC, STEC, SVI, SYNTEC, TASCO, TCAP, THAI, THANA, THANI, THCOM, THIP, THREL, TIP, TISCO, TKT, TMB, TNDT, TOP, TRC, TRU, TRUE, TSC, TSTH, TTCL, TU, TVD, UAC, UV, VGI, VIH, WACOAL, WAVE, WHA, WINNER

★★★★

2S, AAV, ACAP, AGE, AH, AHC, AIRA, AIT, AKR, ALLA, ALT, AMA, AMANAH, APCO, AQUA, ARIP, ARROW, ASIA, ASIMAR, ASK, ASN, ASP, ATP30, AU, AUCT, AYUD, BA, BBL, BDMS, BEC, BEM, BFIT, BGRIM, BIZ, BJC, BJCHI, BLA, BOL, BPP, BROOK, BTW, CBG, CEN, CENTEL, CGH, CHEWA, CHG, CHOW, CI, CIMBT, CNS, COM7, COMAN, CPALL, CSC, CSP, DCC, DCORP, DDD, EASON, ECF, ECL, EE, EPG, ERW, ETE, FN, FNS, FORTH, FPI, FSMART, FVC, GBX, GCAP, GLOBAL, GLOW, GULF, HARN, HPT, HTC, HYDRO, ICN, ILINK, INET, IRC, ITD\*, JAS, JCKH, JKN, JWD, K, KBS, KCAR, KGI, KKC, KOOL, KTIS, L&E, LANNA, LDC, LH, LHK, LOXLEY, LRH, LST, M, MACO, MAJOR, MALEE, MBKET, MC, MEGA, METCO, MFC, MFEC, MK, MOONG, MSC, MTI, NCH, NEP, NINE, NOBLE, NOK, NSI, NTV, NWR, OCC, OGC, ORI, PAP, PATO, PB, PDI, PJW, PLAT, PM, PORT, PPP, PREB, PRECHA, PRINC, PRM, PT, QLT, RICHY, RML, RS, RWI, S, S11, SALEE, SANKO, SAWAD, SCG, SCI, SCN, SE, SEAFCO, SEAOLIL, SELIC, SENA, SFP, SIAM, SINGER, SIRI, SKE, SMK, SMPC, SMT, SNP, SORKON, SPC, SPI, SPPT, SPVI, SR, SSF, SST, STA, SUC, SUSCO, SUTHA, SWC, SYMC, SYNEX, TACC, TAE, TAKUNI, TBSP, TCC, TEAM, TFG, TFMAMA, THRE, TICON, TIPCO, TK, TKN, TKS, TM, TMC, TMI, TMILL, TMT, TNITY, TNL, TNP, TNR, TOA, TOG, TPA, TPAC, TPBI, TPCORP, TRITN, TRT, TSE, TSR, TSTE, TTA, TTW, TVI, TVO, TWP, TWPC, U, UMI, UOBKH, UP, UPF, UPOIC, UT, UWC, VNT, WHAUP, WICE, WIUK, XO, YUASA, ZMICO

★★★

7UP, ABICO, ABM, AEC, AEONTS, AF, AJ, ALUCON, AMARIN, AMC, AS, ASAP, ASEFA, ASIAN, BCH, BEAUTY, BGT, BH, BIG, BLAND, BM, BR, BROCK, BSBM, BTNC, CCET, CCP, CGD, CHARAN, CHAYO, CITY, CMO, CMR, COLOR, CPL, CPT, CRD, CSR, CTW, CWT, D, DCON, DIGI, DIMET, EKH, EMC, EPCO, ESSO, ESTAR, FE, FLOYD, FOCUS, FSS, FTE, GENCO, GIFT, GJS, GLAND, GPI, GREEN, GTB, GYT, HTECH, IFS, IHL, III, INOX, INSURE, IRCP, IT, ITCL, J, JCK, JMART, JMT, JTS, JUBILE, KASET, KCM, KIAT, KWC, KWG, KYE, LALIN, LEE, LPH, MATCH, MATI, MBAX, M-CHAI, MDX, META, MILL, MJD, MM, MODERN, MPG, NC, NDR, NETBAY, NNCL, NPK, OCEAN, PAF, PDG, PF, PICO, PIMO, PK, PL, PLE, PMTA, PPPM, PRIN, PSTC, PTL, RCI, RCL, RJH, ROJNA, RPC, RPH, SAMCO, SAPPE, SCP, SF, SGF, SGP, SKN, SKR, SKY, SLP, SMIT, SOLAR, SPA, SPCG, SPG, SQ, SRICHA, SSC, SSP, STANLY, STPI, SUN, SUPER, SVOA, T, TCCC, TCMC, THE, THG, THMUI, TIC, TITLE, TIW, TMD, TOPP, TPCH, TPIPP, TPOLY, TTI, TVT, TYCN, UEC, UMS, UNIQ, VCOM, VIBHA, VPO, WIN, WORK, WP, WPH, ZIGA

**Corporate Governance Report**

The disclosure of the survey result of the Thai Institute of Directors Association ("IOD") regarding corporate governance is made pursuant to the policy of the Office of the Securities and Exchange Commission. The survey of the IOD is based on the information of a company listed on the Stock Exchange of Thailand and the Market for Alternative Investment disclosed to the public and able to be accessed by a general public investor. The result, therefore, is from the perspective of a third party. It is not an evaluation of operation and is not based on inside information.

The survey result is as of the date appearing in the Corporate Governance Report of Thai Listed Companies. As a result, the survey result may be changed after that date. SCB Securities Company Limited does not conform nor certify the accuracy of such survey result.

To recognize well performers, the list of companies attaining "Good", "Very Good" and "Excellent" levels of recognition

(Not including listed companies qualified in the "no announcement of the results" clause from 1 January 2017 to 19 October 2018) is publicized.

CSL was voluntarily delisted from the Stock Exchange of Thailand effectively on July 26, 2018

\* บริษัทหรือกรรมการหรือผู้บริหารของบริษัทที่มีข่าวด้านการกำกับดูแลกิจการ เช่น การกระทำความผิดเกี่ยวกับหลักทรัพย์ การทุจริต คอร์รัปชัน เป็นต้น ซึ่งการใช้ข้อมูล CGR ควรตระหนักถึงข้อดังกล่าวประกอบด้วย

**Anti-corruption Progress Indicator****Certified (ได้รับการรับรอง)**

ADVANC, AKP, AMANAH, AP, APCS, ASK, ASP, AYUD, BAFS, BANPU, BAY, BBL, BCH, BCP, BCPG, BGRIM, BJCHI, BKI, BLA, BROOK, BRR, BSBM, BTS, BWG, CENTEL, CFRESH, CHEWA, CIG, CM, CNS, COM7, CPALL, CPF, CPI, CPN, CSC, DCC, DEMCO, DIMET, DRT, DTAC, DTC, EASTW, ECL, EGCO, EPCO, FE, FNS, FSS, GBX, GC, GCAP, GEL, GFPT, GGC, GJS, GLOW, GOLD, GPSC, GSTEL, GUNKUL, HANA, HARN, HMPRO, HTC, ICC, IFEC, IFS, INET, INTUCH, IRPC, IVL, K, KASET, KBANK, KBS, KCAR, KCE, KGI, KKP, KSL, KTB, KTC, KWC, L&E, LANNA, LHFG, LHK, LPN, M, MAKRO, MALEE, MBAX, MBK, MBKET, MC, MCOT, MFC, MINT, MONO, MOONG, MSC, MTI, NBC, NINE, NIK, NMG, NNCL, NSI, OCC, OCEAN, OGC, PATO, PB, PCSGH, PDG, PDI, PDJ, PE, PG, PHOL, PL, PLANET, PLAT, PM, PPP, PPPM, PPS, PREB, PRG, PRINC, PSH, PSTC, PT, PTG, PTT, PTTEP, PTTGC, Q-CON, QH, QLT, RATCH, RML, ROBINS, S & J, SABINA, SAT, SC, SCB, SCC, SCCC, SCG, SCN, SE-ED, SELIC, SENA, SGP, SINGER, SIRI, SIS, SITHAI, SMIT, SMK, SMPC, SNC, SNP, SORKON, SPACK, SPC, SPI, SPRC, SRICHA, SSF, SSI, SSSC, STA, SUSCO, SVI, SYNTEC, TAE, TASCO, TCAP, TCMC, TFG, TFI, TFMAMA, THANI, THCOM, THRE, THREL, TICON, TIP, TIPCO, TISCO, TKT, TMB, TMD, TMILL, TMT, TNITY, TNL, TNP, TOG, TOP, TPA, TPCORP, TRU, TRUE, TSC, TSTH, TTCL, TU, TVD, TVI, TWPC, U, UBIS, UOBKH, VGI, VNT, WACOAL, WHA, WICE, WIUK

**Declared (ประกาศเจตนารมณ์)**

A, ABICO, AIE, AJ, AMATA, AMATAV, ANAN, AOT, APCO, ARROW, ASIAN, B, BJC, BLAND, BLISS, BM, BPP, BR, BUI, CEN, CGH, CHG, CHO, CHOTI, CI, CIMBT, CITY, COL, CPR, DDD, EFORL, EKH, ESTAR, ETE, FLOYD, FN, FPI, FTE, GPI, GYT, ICHI, ILINK, INSURE, IRC, ITCL, JAS, JTS, KWG, LDC, LEE, LIT, LRH, MATCH, MATI, META, MFEC, MILL, MTC, NCL, NEP, NWR, ORI, PAP, PK, PLANB, POST, PRM, PRO, PSL, PYLON, QTC, ROJNA, RWI, SAPPE, SCI, SHANG, SPALI, SST, STANLY, SUPER, SWC, SYMC, SYNEX, TAKUNI, THE, THIP, TKN, TMC, TNR, TOPP, TPP, TRITN, TTI, TVO, UEC, UKEM, UPA, UREKA, UV, UWC, VIH, XO, YUASA

**N/A**

2S, 7UP, AAV, ABM, ACAP, ACC, ADAM, ADB, AEC, AEONTS, AF, AFC, AGE, AH, AHC, AI, AIRA, AIT, AJA, AKR, ALLA, ALT, ALUCON, AMA, AMARIN, AMC, APEX, APURE, AQ, AQUA, ARIP, AS, ASAP, ASEFA, ASIA, ASIMAR, ASN, ATP30, AU, AUCT, BA, BAT-3K, BCT, BDMS, BEAUTY, BEC, BEM, BFIT, BGC, BGT, BH, BIG, BIZ, BKD, BOL, BROCK, BSM, BTNC, BTP, CAZ, CBG, CCET, CCP, CGD, CHARAN, CHAYO, CHOW, CHUO, CK, CKP, CMAN, CMC, CMO, CMR, CNT, COLOR, COMAN, COTTO, CPH, CPL, CPT, CRANE, CRD, CSP, CSR, CSS, CTW, CWT, D, DCON, DCORP, DELTA, DIGI, DNA, DOD, DTCI, EA, EARTH, EASON, ECF, EE, EIC, EMC, EPG, ERW, ESSO, EVER, F&D, FANCY, FC, FMT, FOCUS, FORTH, FSMART, FVC, GENCO, GIFT, GL, GLAND, GLOBAL, GRAMMY, GRAND, GREEN, GTB, GULF, HFT, HPT, HTECH, HUMAN, HYDRO, ICN, IEC, IHL, III, INGRS, INOX, IRCP, IT, ITD, J, JCK, JCKH, JCT, JKN, JMART, JMT, JSP, JUBILE, JUTHA, JWD, KAMART, KC, KCM, KDH, KIAT, KKC, KOOL, KTECH, KTIS, KWM, KYE, LALIN, LH, LOXLEY, LPH, LST, LTX, LVT, MACO, MAJOR, MANRIN, MAX, M-CHAI, MCS, MDX, MEGA, METCO, MGT, MIDA, MJD, MK, ML, MM, MODERN, MPG, MPIC, MVP, NC, NCH, NDR, NER, NETBAY, NEW, NEWS, NFC, NOBLE, NOK, NPK, NPPG, NTV, NUSA, NVD, NYT, OHTL, OISHI, OSP, OTO, PACE, PAE, PAF, PERM, PF, PICO, PIMO, PJW, PLE, PMTA, POLAR, POMPUI, PORT, PPM, PR9, PRAKIT, PRECHA, PRIN, PTL, RAM, RCI, RCL, RICH, RICHY, RJH, ROCK, ROH, RP, RPC, RPH, RS, RSP, S, S11, SAAM, SAFARI, SALEE, SAM, SAMART, SAMCO, SAMTEL, SANKO, SAUCE, SAWAD, SAWANG, SCP, SDC, SE, SEAFCO, SEAOLIL, SF, SFP, SGP, SIAM, SIMAT, SISB, SKE, SKN, SKR, SKY, SLP, SMART, SMM, SMT, SOLAR, SONIC, SPA, SPCG, SPG, SPORT, SPPT, SPVI, SQ, SR, SSC, SSP, STAR, STEC, STHAI, STI, STPI, SUC, SUN, SUTHA, SVH, SVOA, T, TACC, TAPAC, TBSP, TC, TCC, TCCC, TCJ, TCOAT, TEAM, TEAMG, TGPRO, TH, THAI, THANA, THG, THL, THMUI, TIC, TIGER, TITLE, TIW, TK, TKS, TM, TMI, TMC, TNDT, TNH, TNPC, TOA, TPAC, TPBI, TPCH, TPIPL, TPIPP, TPPLAS, TPOLY, TQM, TR, TRC, TRT, TRUBB, TSE, TSF, TSI, TSR, TSTE, TTA, TTL, TTMT, TTW, TVT, TWP, TWZ, TYCN, UAC, UMI, UMS, UNIQ, UP, UPF, UPOIC, UT, UTP, UVAN, VARO, VCOM, VI, VIBHA, VNG, VPO, WAVE, WG, WHAUP, WIN, WINNER, WORK, WORLD, WP, WPH, WR, YCI, YNP, ZEN, ZIGA, ZMICO

**Explanations**

Companies participating in Thailand's Private Sector Collective Action Coalition Against Corruption programme (Thai CAC) under Thai Institute of Directors (as of August 31, 2018) are categorised into: companies that have declared their intention to join CAC, and companies certified by CAC.